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#### NOTIFICATION

**No. H.12018/115/2002-LJD, the 18<sup>th</sup> July, 2011.** The following Act of the Mizoram Legislative Assembly which received the assent of the Governor of Mizoram is hereby published for general information.

The Mizoram Protection of Interest of Depositors (In Financial Establishment) (Amendment) Act, 2011(Act. No. 11 of 2011).

{Received the assent of the Governor of Mizoram on the 8th July, 2011}

AN  
ACT

to amend the Mizoram Protection of Interest of Depositors (in financial establishment) Act 2002 (Act No 14 of 2002) hereinafter referred to as the Principal Act

It is enacted by the Legislature of the State of Mizoram in the sixtysecond year of the Republic of Inida as follows :-

**1. Short Title and Commencement :**

- 1) This Act may be called the Mizoram Protection of Interest of Depositors (in financial establishment) (Amendment) Act, 2011
- 2) It shall come into force from the date of its publication in the Mizoram Gazette

**2. Amendment of Section 2**

- 1) In section 2 of the Principal Act, clause (b) shall be substituted by the following, namely :-

“(B) “Deposit” includes and shall be deemed always to have included any receipt of money or acceptance of any valuable commodity by any Financial Establishment to be returned after a specified period or otherwise, either in cash or in kind or in the form of a specified service with or without any benefit in the form of interest, bonus, profit or in any other form”.

2) Clause (c) shall be substituted by the following, namely:-

“(c) “Financial Establishment” means any person or a group of individuals or a firm or a company incorporated under the Companies Act 1956 carrying on business of receiving deposits under any scheme or arrangement or in any other manner and will include any other Non-Banking Financial Companies but does not include a Corporation or a Co-operative Society owned or controlled by any State Government or the Central Government or a Banking Company as defined under clause (c) of section 5 of the Banking Regulation Act, 1949”.

1. Section 3 of the Principal Act shall be substituted by the following, namely:-

### **3. Amendment of Section 3 :**

“(1) (i) Every financial establishment shall intimate the Competent Authority of the area, about its business in the area

(ii) The financial establishment shall file a copy of such periodical statement to the Competent Authority as may be required to be filed, under any law, with any other supervisory authority including the Reserve Bank of India (RBI).

(iii) The Competent Authority at his discretion may at any time direct any financial establishment carrying on business in the area of jurisdiction of the Competent Authority to furnish in such form, at such intervals and within such time, such statement, as may be specified in a general or a special order.

(iv) Whosoever contravenes the provisions of this section shall be punished with imprisonment which may extend to six months or with a fine which may extend to twenty thousand rupees or with both.

“(2) (i) The Government or the District Magistrate in their respective jurisdiction or Superintendent of Police in charge of the Economic Offence Wing of the Police Department, suo moto or on receipt of any complaint may cause investigation of a complaint or fraudulent transaction referred to in this section. The District Magistrate or the Superintendent of Police in charge of the Economic Offence Wing of the Police Department shall forward his report together with the complaint to the Government at the earliest.

“(ii) Notwithstanding anything contained in any other law for the time being in force:-

“(a) Where, upon complaint received from any depositors or otherwise, the Government is satisfied that any Financial Establishment has failed-

“(i) to return the deposit after maturity or on demand by depositor : or

“(ii) to pay interest of other assured benefit : or

“(iii) to provide the service against such deposit”, or

“(b) Where the Government have reason to believe that any Financial Establishment is acting in a calculated manner with an intention to defraud the depositors and if the Government are satisfied that such Financial Establishment is not likely to return the deposits, the Government may in order to protect the interests of the depositors of such Financial Establishment, passed an ad-interim order attaching the money or other property alleged to have been procured either in the name of the Financial Establishment, or in the name of any other persons from and out of the deposit collected by the Financial Establishment, or if it transpires that such money or other property is not available for attachment or not sufficient for repayment of the deposits, such other property of the said Financial Establishment or the promoter, manager or member of the said Financial Establishment as the Government may think fit and transfer the control over the said money or properties to the Competent Authority”.

**Secretary,**  
Law & Judicial Department,  
Govt. of Mizoram.